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Intelligence Memorandum

*Prospects for the 7th Special
Session of the UN General Assembly*

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Summary

The 7th Special Session of the UN General Assembly on economic cooperation and development that convenes in New York on September 1 will provide an opportunity to reverse the pattern of increasing confrontation between developing and developed countries that has marked major international gatherings on economic issues in the last several years. Failure of the session to produce even limited agreements on issues of importance to the developing states may aggravate the political atmosphere at the regular General Assembly. An abortive Special Session will not only affect the outcome of such issues as the suspension of Israel, but would damage prospects for subsequent, smaller international discussions where the developed countries hope to work out realistic policies on a broad range of issues.

Preparations for the Special Session have been under way for the past year with states on all sides working to coordinate positions. The developed countries have concentrated on finding ways to respond to some of the demands put forward by the developing states, while holding the line against costly concessions. These efforts have probably produced a measure of better mutual understanding, but the lack of real progress indicates that a consensus has yet to be reached on the fundamental question of transfer of resources from the wealthy states to the poor.

Radicals among the poor insist that what they want is a larger share of the world product. Others among the poor agree with the rich, for the most part, that sustained growth is the best guarantee the poor have of developing their economies. The tone of the Special Session will largely depend on the outcome of the meeting of the nonaligned foreign ministers in Lima—which opened August 25. More than eighty participants and over twenty observers are attending the Lima conference where some developing countries may press for endorsement of "extreme" demands.

Under the leadership of Algeria, the nonaligned movement has in recent years become increasingly preoccupied with economic issues. Looming large at the Lima meeting will be the need to reach agreement on a common front for the 7th Special Session. If the nonaligned nations are able to agree on a common position in Lima, they will almost certainly not break solidarity at the UN session—even if the industrialized states subsequently present proposals otherwise acceptable to many of the developing countries.

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Prospects now appear to be somewhat brighter than earlier this year that the nonaligned may adopt a less belligerent line at Lima. At last month's meeting in Geneva of the UN's Economic and Social Council, those developing countries who have generally avoided rhetorical excesses were able to exert some influence over the policy of the developing-country caucus. The conciliatory atmosphere was maintained in a meeting of the Trade Development Board of UNCTAD in the week following ECOSOC and at the third meeting of the preparatory conference for the Special Session, which opened August 18. In fact, delegates to the latter meeting elected to extend the conference into the following week, so as to coincide with the Lima conference. This move may undercut attempts by states such as Algeria to use the Lima session to pick a fight with the industrialized states on issues related to the 7th Special Session. Nevertheless the Algerians should not be underestimated. In informal sessions at ECOSOC the radicals, led by Algeria, were uncompromising, and most of the less extreme developing states remain skeptical of their ability to moderate the deliberations in Lima.

A successful session—in the view of most industrialized states and the majority of developing states—would set a constructive tone for subsequent agreement on at least some contentious issues in other, more restricted forums. Few countries, in fact, expect substantive negotiations to take place during the Special Session, but most realize that a major determinant of any future negotiations will be the atmosphere created in New York.

If the voices for negotiation rather than confrontation among the developing states are to retain what little influence they have and the developing-country caucus is to be persuaded of the value of dialogue, the industrialized nations will probably have to make concessions—perhaps in the commodities field.

In the absence of what the developing countries take to be serious discussions of economic issues, the solidarity of the developing states will be reinforced, and they are likely to vent their frustrations by initiating political resolutions or pushing for UN structural changes.

The Soviets and East Europeans—with the exception of Romania and Yugoslavia—will maintain a low profile at the 7th Special Session, as they have at previous meetings dealing with these issues. They will express solidarity with the developing states but will also be careful to avoid costly economic commitments. The Chinese, for their part, will be a strong supporter of the developing countries' positions, but they will not assume a leadership position. Peking will also certainly use the session to continue its attacks on the Soviets.

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[Omitted here is the complete Memorandum.]